



Monthly Benefits Update - Commentary

July 2024

Purpose

- 1 The purpose of this commentary is to highlight key points and insights from the *Monthly Benefits Update* for July 2024. It was published as part of our monthly reporting on the Ministry of Social Development's (MSD) website on Friday, 16 August 2024.¹

Key points

- 1 There were around 385,400 people receiving a main benefit in July, an increase of around 4,500 people or 1.2 percent from the previous month.
- 2 Weak economic conditions have seen a lower demand for labour making it harder for people to find and retain work. This has resulted in more people entering a benefit.
- 3 Seasonal trends at this time of the year usually also see more people come onto a benefit, as jobs within some seasonal industries become scarce during winter.
- 4 There were around 200,400 people receiving Jobseeker Support (JS) in July 2024, an increase of around 4,000 people or 2.0 percent from the previous month.
- 5 There were around 116,400 people receiving Jobseeker Support – Work Ready (JS – WR) in July 2024, an increase of around 2,500 people or 2.2 percent from the previous month.
- 6 There were around 84,000 people receiving Jobseeker Support – Health Condition or Disability (JS – HCD) in July 2024, an increase of around 1,500 people or 1.8 percent from the previous month.
- 7 There were about 77,500 people receiving Sole Parent Support (SPS) in July 2024, an increase of over 500 people or 0.7 percent from the previous month.

¹ For the full set of data and supporting information, please see: <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/monthly-reporting/>



Main benefits

In July, the number of main benefit recipients increased

- 8 There were around 385,400 people receiving a main benefit in July, an increase of around 4,500 people or 1.2 percent from the previous month.
- 9 The month-to-month increase in benefit numbers was mostly due to Jobseeker Support and Sole Parent Support for July 2024, which mostly reflects the impacts of current economic conditions and seasonal trends for this time of the year.
- 10 Weak economic conditions have seen a lower demand for labour making it harder for people to find and retain work.
 - The unemployment rate for the June quarter was 4.6 percent, a 0.2 percentage point increase from the last quarter. Unemployment numbers have trended upwards since March 2023.²
 - MBIE's monthly Jobs Online index reported a 41.2 percent drop in the year to June 2024.³
- 11 Seasonal trends at this time of the year usually see more people come onto a benefit, as jobs within some seasonal industries become scarce during winter.

The number of JS – WR recipients increased, continuing a trend of rising numbers since April 2024

- 12 There were around 116,400 people receiving Jobseeker Support – Work Ready (JS – WR) in July 2024, an increase of around 2,500 people or 2.2 percent from the previous month.
- 13 This increase in JS – WR was mostly due to new clients from outside the benefit system. This increase reflects current economic conditions⁴ as well as seasonal trends⁵ for this time of the year where people may be finding it harder to secure employment.
- 14 In July, there were around 4,500 JS – WR work exits. This is in line with trends in JS – WR work exits seen in the last few months. Despite the challenging labour market, when compared to July 2023 there was an increase of about 900 work exits, reflecting a strong focus from MSD to support clients into work.

² For more information on the Unemployment rate please see:
<https://www.stats.govt.nz/indicators/unemployment-rate/>

³ For more information on MBIEs Jobs online index please see:
<https://www.mbie.govt.nz/business-and-employment/employment-and-skills/labour-market-reports-data-and-analysis/jobs-online#jobs-online-monthly-data-release>

⁴ For more information, please see paragraph 10.

⁵ For more information, please see paragraph 11.



- 15 Compared to July 2023 there has been an increase of around 15,400 or 15.2 percent in the number of people on JS – WR. This increase likely reflects the change in economic conditions since last year.

More clients are moving to Jobseeker Support – Health Condition or Disability from Jobseeker Support – Work Ready

- 16 There were around 84,000 people receiving JS – HCD, an increase of around 1,500 people or 1.8 percent from the previous month.
- 17 The increase in the number of people receiving Jobseeker Support – Health Condition or Disability (JS – HCD) was mostly due to people who transferred from JS – WR to JS – HCD as it better reflected their current circumstances.
- The ratio of people moving from JS – HCD has stayed the same, but a higher number of people on JS – WR has led to more transfers.
- 18 Compared to July 2023 the number of people on JS – HCD has increased by around 9,300 people or 12.4 percent. This increase is in line with the increasing trend in the number main benefit recipients.

The number of people on Sole Parent Support has been rising since February 2024

- 19 The number of people on SPS increased by over 500 people or 0.7 percent from the previous month. This increase mostly reflects a lower number of SPS clients leaving the benefit system.
- 20 Compared to this time last year there are almost 3,100 more people receiving SPS. This increase likely reflects changing economic conditions where SPS clients are finding it harder to find and retain work.



Hardship Assistance

In July, the number of Special Needs Grants granted increased from the previous month

- 21 Around 144,500 Special Needs Grants (SNGs) were granted in July, an increase of about 28,400 or 24.4 percent from the previous month. This increase mostly reflects there being more working days in July compared to June.
 - There were 23 working days in July 2024 compared to 18 in June 2024. This was a 28 percent increase in the number of working days. This closely reflects the change seen in the number of SNGs granted in July, as more applications can be processed in months with more working days.
 - When looking at the number of SNGs granted per working day, July saw on average about 2.6 percent fewer SNGs granted compared to the previous month.
- 22 Special Needs Grants (SNGs) for food made up 77.2 percent of all SNGs in July. This is a normal proportion; in most months, between 70 and 80 percent of SNGs are for food.

Recent and upcoming releases⁶

- 1 The Benefit Fact Sheets for the June 2024 Quarter were published on 18 July 2024.
- 2 The June 2024 Social Housing Register was published on 9 August 2024.
- 3 The July Monthly Housing Update was published on 16 August 2024.

⁶ All releases are available at <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/index.html>